

MEETING #18 March 19

At a Budget Workshop Session of the Madison County Board of Supervisors on March 19, 2014 at 4:00 p.m. in the Thrift Road Complex located at 302 Thrift Road:

PRESENT: Doris G. Lackey, Chair
R. Clay Jackson, Vice-Chair
Jonathon Weakley, Member
Robert W. Campbell, Member
R. Clay Jackson, Member
Kevin McGhee, Member
V. R. Shackelford, III, County Attorney
Ernest C. Hoch, County Administrator
Leo Tayamen, Finance Director

ABSENT: Jacqueline S. Frye, Deputy Clerk

Agenda:

1. Call to Order/Determine Presence of a Quorum

2. Pledge of Allegiance & Moment of Silence

The Board of Supervisors commenced their meeting with the Pledge of Allegiance and a moment of silence.

3. Adoption of Agenda

Chairman Lackey called for adoption of today's Agenda.

Chairman Lackey suggested the closed session be held before information/correspondence.

Supervisor Campbell requested to discuss information pertaining to the CIP under information/correspondence.

Supervisor Weakley moved to adopt today's Agenda, as amended, seconded by Supervisor McGhee, with the following vote recorded:

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Aye
Robert Campbell	Aye
Kevin McGhee	Aye

4. Agenda Items:

a. Closed Session:

On motion of Supervisor Jackson, seconded by Supervisor Weakley, the Board convened in a closed session pursuant to Virginia Code Section 2.2-3711(A)(1) pertaining to personnel issues, specifically concerning individual County employee assignments, with the following vote recorded:

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Aye
Robert Campbell	Aye
Kevin McGhee	Aye

****Motion to Reconvene In Open Session***

On motion of Supervisor Jackson, seconded by Supervisor McGhee, the Board reconvened in open session, with the following vote recorded:

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Aye
Robert Campbell	Aye
Kevin McGhee	Aye

****Motion to Certify Compliance:***

On motion of Supervisor Jackson, seconded by Supervisor McGhee, the Board certified by roll-call vote that only matters lawfully exempted from open meeting requirements pursuant to Virginia Code Section 2.2-3711 (A)(1), and only matters that were identified in the motion to convene in a closed session were heard, discussed or considered in the closed meeting, with the following vote recorded:

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Aye
Robert Campbell	Aye
Kevin McGhee	Aye

No Action was taken as a result of closed session

b. Budget Discussions:

The County Administrator provided a budget summary sheet for review and discussion.

School System:

The budget has a shortfall of \$235,893.00 which is the additional funding the school system has requested the remaining carryover funding and budget savings from the past year; their budget request also denotes a one percent (1%) salary increase for staff.

Social Services & CSA:

The Department of Social Services budget shows a slight decrease because of the elimination of a two percent salary increase and the inclusion of health insurance, with an additional position noted within their budget (\$1,000,000.00 in local funds); figures for CSA will remain the same. . . Figures for CSA remain the same.

CIP:

In talking with the project manager and architects about the proposed draw schedule, it appears the full \$6,000,000.00 budgeted for this year will be used and will include the purchase of some equipment that will be needed. Additionally, he feels that more funding will be spent this year than anticipated. If the school system needs more than \$6,000,000.00, an appropriation will be needed; however, if the funding is more than one percent (1%) of the annual budget, a public hearing will be required.

The County Administrator explained the budget items denoted in the executive budget summary (attached to the minutes) which included expenditures and revenues noted in the draft FY2015 budget.

Revenue:

The County Administrator advised there is no change noted in a revenue increase from the General Assembly; however, changes may be forthcoming.

Workman's Compensation:

The County Administrator provided percentage rates for workman's compensation which is a percentage of payroll depending on the position. A change was denoted in workman's compensation with the same rates as last year.

Insurance:

The County Administrator advised the insurance line item has been adjusted which denotes an increase.

Facilities:

The facilities budget did increase by about six percent (6%) A change was denoted in workman's compensation with the same rates as last year.

Contingency:

The County Administrator advised of placeholders noted within the contingency fund (i.e. accumulated leave, CSA).

EMS:

The County Administrator advised the medical line item did increase because of an additional position; the budget also shows overtime as comp time isn't paid to EMS personnel. Due to the fact there is quite a bit of turnover in the department, there is generally some leave time that must be paid.

Continued Items:

Supervisor Campbell suggested the funding request for the rescue squad be reduced.

The County Administrator advised there was an increase in the school system's revenue which resulted in \$500,000.00 in rollover funding; the school system is requesting the savings from this budget year. Although the debt service was moved to the County's budget, it didn't result in additional funding being provided to the school system.

Discussions continued regarding the increase in insurance, to which the County Administrator advised the County will absorb the entire increase with a net percent of 9.11%; however, the employee will still pay a portion of their healthcare.

It was questioned whether the school system anticipates any additional rollover funding for the year in any budget line items.

The County Administrator advised the school system anticipates there will be \$100,000.00 saved from their current budget, although no information has been provided as to which line item (within their budget) will provide any savings.

Chairman Lackey commented on:

The principals of the proposed budget being very lean

No salary increases are projected for County staff

A one cent tax increase could be requested

In closing, she suggested if there is any way to invest in the County and improve conditions, this should be done.

The County Administrator advised the proposed budget is about three percent (3%) more than last year; an overview was provided on the categories where increased will be allocated, which are beyond the County's control.

The only way to cover the increased will be:

- Slight tax increase
- Utilize money from the general fund

The County Administrator advised in the past, money from the fund balance was used in order to balance the budget; if this mechanism is used this year, the budget

will be balanced. In closing, he advised if the intent is to decrease the school's funding request, an alternative amount will need to be presented and published.

Supervisor Weakley referenced ideas on regionalization and whether the County and school system could look into this practice and assess whether it could produce some savings.

Supervisor Jackson feels a proposed one cent tax increase will equate to inflation; some of the County needs will not disappear and regionalization may help. In closing, he feels there are some services just can't be cut, as some services are needed. He doesn't feel it's appropriate for the school system to provide a raise to their staff when the County isn't.

Chairman Lackey advised the County will have to try to look at providing \$450,000.00 to the school system, look at implementing a one-cent tax increase, and devote the rest of the year assessing the economy and plan. We must consider the importance of investment in order to be more successful.

Supervisor McGhee advised he'd be in favor of a one cent tax increase.

Supervisor Campbell questioned the number of employees within the school system based on the current student population.

The County Administrator advised the number of County employees has decreased, and there have continued to be savings within the County's budget.

It was advised that funding needed for CSA has steadily increased over the past few years.

Supervisor Campbell advised that savings within the County has resulted in the initial biennial tax collection in 2008, which was brought forth an large amount of revenue; he feels the shifting of the tax burden has caused many citizens to make up the shortfall over a period of time.

Chairman Lackey advised the Board will need to decide on a proposed one cent or two cents tax increase.

Supervisor Weakley advised he'd be in favor of a one cent tax increase; however, work must be done between the county and school system to find additional savings, although he is in support of a family support worker; wants goals to be established and also discuss the possibility of investigating regionalization; also suggested the increase be advertised at one cent.

Supervisor Campbell feels things are slipping with the CIP; feels the County should cut out the \$235,893.00 the school is requesting.

Supervisor Jackson also feels discussions need to be implemented between both governing Boards and hopes the computer system can bring for the some efficiency between both entities; feels a one cent tax increase will be appropriate.

Supervisor McGhee was in favor of a one cent tax increase.

The County Administrator advised the biennial tax bills must be mailed out by April 22nd; if the tax rate isn't in place, a delay will affect the entire process.

After discussion, it was the consensus of the Board to move forward with a proposed one cent tax increase and \$450,000.00 in funding for the school system.

Supervisor McGhee questioned if the 1.26% increase (resulting from moving the costs from the County to the employee) in healthcare cost will also be translated to the school system.

The County Administrator advised the above referenced inquiry is correct; however, the school system will have different numbers since they utilize a scale, but the numbers should be relatively close.

Supervisor Weakley verbalized concerns regarding the following items noted in the school's budget:

- Breakdown of where the fourteen (14) secretaries are located within the schools system
- Some categories denotes supplemental salary/wages (is the accumulated leave payout)

Ms. Cropp, School Finance Officer, advised 'supplemental salary/wages' is usually coaching stipends and department chair stipends, and comes out of the instructional line item, as this funding isn't an actual part of a salary.

- Function 62110 – Board Services

Ms. Cropp advised the above function category is for insurance for the school board members. She also advised the fourteen (14) secretaries are located within the five (5) school locations (i.e. two to three secretaries per building); also there are attendants in the high school.

- Six (6) positions – Other
- Project Manager

c. Information/Correspondence (if any)

CIP:

Supervisor Campbell verbalized concerns pertaining to MOU and the fact that:

- A new contract being adopted for the Project Manager (i.e. Clerk of the Works) without any notification be provided to the County or its CIP Committee representatives
- The proposed three percent (3%) cushion in the contingency fund for the school projects may not be in place

Chairman Lackey advised the County isn't the project manager for the school projects, and the school system is charged with the responsibility of executing the projects. A memorandum of understanding is in place to indicate the school system will inform the County; however, if it's deemed the County hasn't been informed of pertinent information, a letter should be written to express these concerns (i.e. increase in salary for the Project Manager).

Supervisor McGhee indicated he feels this concern will be discussed at an upcoming CIP Committee; he feels information will be provided as the rapport continues to be established between the committee members. In closing, he feels the County has an obligation to the citizens to provide input as to what should transpire with the CIP.

The County Administrator advised the school project process went from basic planning, discussion, and gradually to the point where the project will move forward; he feels today's concerns (i.e. Project Manager contact, salary/benefits, etc.) can be addressed at the upcoming meeting. In closing, he advised it was his understanding the Project Management position was part-time, which is how the individual was hired, but this has now changed.

Ms. Cropp advised there was an error in the existing contract, in that there shouldn't be five (5) installments, but twelve (12).

After discussion, Chairman Lackey suggested the aforementioned issues be discussed at next week's CIP Committee meeting; if there isn't a level of satisfaction attained after the discussion, the Board will then write a formal letter to the Madison County School Board and discuss what procedures can then be taken.

Disposal of County Vehicles & School Buses:

Supervisor Campbell questioned how disposal old law enforcement vehicles and old school buses will be handled.

The County Administrator advised there were adjustment to all law enforcement and County-wide vehicles which resulted in a reduction of vehicles (forty-nine [49]). A printout was provided to denote where the vehicles are and have been plugged into the budget; a six percent (6%) increase in the County's auto insurance noted in the budget. In closing, the County will have saved about \$2,600.00 (annually) by disposing of vehicles (a total of 15) and getting insurance on the correct account.

The County Administrator advised the surplus vehicles will be advertised locally (with a floor price) and also placed on the County website with a request for sealed bids, as per Board approval. In closing, he advised the school system generally holds an auction each year. Although the County has participated in the school's annual auction, very little revenue was received for the County's surplus vehicles.

Ms. Cropp advised that revenue received from the sale of old school buses is entered into the line item for auctions denoted within the school system's budget.

Workshop Session:

The County Administrator advised that applications for the following Committees:

- a) Transportation Committee
- b) Madison County Planning Commission
- c) Recycling Committee

Will be due on April 3, 2014.

It was indicated the Tourism Committee wasn't advertised due to the guidelines requiring a specific membership.

The County Administrator advised that Ms. Gardner, Tourism Director, provided a copy of the bylaws for review. The members weren't opposed to adding members, but nothing has been advertising due to the need for continued discussion regarding this committee.

Chairman Lackey questioned whether the Board could discuss some objectives for the year (i.e. short-term) which could include investigating regionalization or implementing a work study to address additional goals/objectives for consideration.

FY2015 Budget:

The County Administrator advised the budget synopsis will be advertised in next week's edition of the Eagle with a proposed one cent increase; the County Attorney will also publish a one cent tax increase; the Board will need to vote on both proposed documents on April 22nd, based on consideration of information presented at the public hearing scheduled for the evening of April 8th at 7:00 p.m.

e. Adjournment

With no further action being required by the Board, on motion of Supervisor Jackson, seconded by Supervisor McGhee, Chairman Lackey adjourned the meeting, with the following vote recorded:

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Aye
Robert Campbell	Aye
Kevin McGhee	Aye

Doris G. Lackey, Chairman
Madison County Board of Supervisors

Clerk of the Board of Madison County Board Supervisors

Adopted on: May 13, 2014

Copies: Doris G. Lackey, R. Clay Jackson, Jonathon Weakley, Robert Campbell,
Kevin McGhee, V. R. Shackelford, III & Constitutional Officers



Agenda
Continued Meeting of the
Madison County Board of Supervisors
Thursday, March 19, 2014 at 4:00 p.m.
Budget Workshop Session
302 Thrift Road, Madison, Virginia 22727



Agenda

1. Call to Order
- 2. *Pledge of Allegiance & Moment of Silence***
3. Determine Presence of a Quorum/Adoption of Agenda
4. Agenda Items:
 - a. Closed Session (formerly item 4b)***
 - b. Budget Discussions (formerly item 4a)***
 - c. Information/Correspondence (if any)
 - c. Public Comment
 - d. Adjournment